



# **CITY OF SANTA BARBARA**

## **COUNCIL AGENDA REPORT**

**AGENDA DATE:** June 29, 2010

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department  
Administration Division, Airport Department  
Housing and Redevelopment Division, Community Development Department

**SUBJECT:** Public Hearing For 2008 Disaster Recovery Initiative Program Funding Application

**RECOMMENDATION:** That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving an Application for Funding and the Execution of a Grant Agreement and Any Amendments Thereto from the 2008 Disaster Recovery Initiative Fund Allocation of the State Community Development Block Grant Program; and
- B. Ratify the City Administrator's execution of a Memorandum of Understanding between the City of Santa Barbara and the Goleta Sanitary District for relocation of the San Pedro Creek Sewer Line.

### **EXECUTIVE SUMMARY:**

On May 12, 2010, the State of California Department of Housing and Community Development (HCD) announced the availability of approximately \$38.3 million in 2008 Disaster Recovery Initiative Allocation (DRI) funds. The funds have been allocated to the State of California for delivery through its Community Development Block Grant program, and are currently available to jurisdictions directly impacted by, and included in, two major wildfire disaster declarations issued by President Bush in 2008.

The declarations included California Wildfires FEMA-3287-EM and FEMA-1810-DR, issued on June 28, 2008, and November 18, 2008, respectively. The City was directly impacted by each disaster due to the Gap and Tea fires.

The purpose of the funding is to help in the restoration and recovery of damaged communities and prevent, or at least mitigate, major damage from potential future disasters. The City has three projects that appear to meet the eligibility requirements:

Sycamore Creek Channel Improvements, San Pedro Creek Sewer Line Relocation, and an update to the Safety Element of the City's General Plan.

Applications are due on July 13, 2010, and funding will be awarded on a first come, first served basis, within 60 days of successful receipt and review of the application.

#### **DISCUSSION:**

The City has an opportunity to submit a grant application to obtain funding for three projects through the HCD and DRI program funds. On May 12, 2010, HCD announced the availability of approximately \$38.3 million in funding for the 2008 DRI.

There are major requirements that must be satisfied in order to be eligible for a grant award. These requirements are described in Attachment 1, with an explanation on how the City's proposed projects meet these requirements. This Public Hearing satisfies the requirement that DRI grantees hold at least one Public Hearing to approve the application for submittal.

Maximum total award limits have been set, based on the percentage of low and moderate (low-mod) beneficiaries. Low-mod beneficiaries are defined as having no higher than 80 percent of the countywide median income adjusted for family size. Thresholds have been set based on the following benefit ratios:

<b>Low-Mod Benefit Ratio</b>	<b>Maximum Total Award</b>
51% to 70%	\$1,000,000
71% to 90%	\$3,000,000
91% to 100%	\$5,000,000

The three proposed projects meet the minimum qualification for low-mod beneficiaries. Therefore, the City will be limited to a maximum total award of \$1,000,000.

A detailed description of each project is presented below:

#### **Sycamore Creek Channel Improvements**

The Tea Fire of November 2008 heightened the need for channel improvements on Sycamore Creek. The fire burned 1,940 acres, with approximately 88% within the Sycamore Creek watershed. This area encompassed nearly the entire watershed draining into Sycamore Canyon.

Below Sycamore Canyon, the creek continues through the Eastside Neighborhood, primarily within Census Tract 8.02, which contains approximately 62% low and moderate income households. Much of the area north of Highway 101 adjacent to Sycamore Creek is within the 100-year flood plain. Properties in this neighborhood

were significantly flooded twice in 1995. In January 1995, nearly four feet of water flooded areas adjacent to Sycamore Creek, including Deluxe and Green Mobile Home Parks.

The proposed improvements include widening the Sycamore Creek Channel from the Highway 101 Bridge upstream to Punta Gorda Street. Currently, most of this portion of Sycamore Creek is approximately 20 feet wide. This project proposes to widen the creek to approximately 60 feet from the top of one bank to top of the other bank.

The improvements consist of a graded earth channel with rock riprap toe protection where the top of the bank is approximately 60 feet wide, thereby matching the existing public right of way, and planting native vegetation along the creek bank.

These channel improvements are expected to increase channel capacity between the new Highway 101 Bridge and Punta Gorda Street from 1,060 to 1,490 cubic feet per second. This would provide flooding relief to the area immediately adjacent to the Green Mobile Home Park, as well as other properties within Census Tract 8.02. The approximate construction cost for this work is \$570,000.

#### San Pedro Creek Sewer Line Relocation

The Santa Barbara County Flood Control District (Flood Control) determined that increased runoff from the Gap Fire burn area could result in substantially increased erosion and flooding in San Pedro Creek. As a result, Flood Control developed an Emergency Watershed Response Plan that determined that an existing sewer main in San Pedro Creek, located on Santa Barbara Airport property, was an obstruction that could impede flow and its immediate removal was warranted.

While the project is located in the City, this flow obstruction would primarily result in increased flooding threats in the area immediately adjacent to the "Old Town Goleta" neighborhood of the City of Goleta, per the Flood Insurance Rate Maps. The census tracts that comprise the "Old Town Goleta" neighborhood contain approximately 57% low and moderate income households.

In October 2008, at the request of Flood Control, the City and the Goleta Sanitary District (Sanitary District) obtained permits for the immediate abandonment and removal of a 12" sewer main located in San Pedro Creek beneath the Hollister Avenue Bridge. The project consisted of the capping and abandonment in place of 2,100 feet of a 6" existing sewer main, and construction of a new 10" force main for approximately 2,100 feet along Hollister Avenue and Firestone Road. The portion of sewer main located under the bridge was replaced by a new sewer line attached to the south (downstream) side of the Hollister Avenue Bridge.

The Sanitary District and the City's Airport Department entered into a Memorandum of Understanding (MOU) to fund this emergency project. The total project cost was \$409,700. Per the MOU, the Airport Department paid for 51% of the project cost and the remaining 49% was funded by the Sanitary District. The Sanitary District constructed the project in January 2009.

The City and the Sanitary District (sponsored by the City) is seeking reimbursement for this emergency project that was directly related to a 2008 wildfire. An updated MOU between the City's Airport Department and the Sanitary District is required for the Sanitary District to receive their share for this project (Attachment 2).

#### Safety Element Update

The notice of funding availability includes a provision for funding forward-thinking land use planning that will guide long-term recovery efforts. Eligible projects include Safety Elements of General Plans, Local Hazard Mitigation Plans, and Community Wildfire Protection Plans.

The City's General Plan Safety Element has not had a comprehensive update since the original Safety Element was adopted in 1979. The critical need for a comprehensive update was identified during the recent Plan Santa Barbara process; however, funding is not presently available to update this General Plan Element. The DRI provides an opportunity to meet this need.

The update would need to include new mapping, policies, and implementation measures pertaining to urban and wildland fire, flood hazard, soil and slope stability hazards, bluff erosion and retreat, beach erosion and shoreline hazards, seismic and seismically induced hazards, airport related hazards, hazardous materials and facilities, and emergency preparedness. The estimated budget for this project is \$80,000.

Each of the projects was presented at a Community Development and Human Services Committee Public Hearing. There were no additional comments from the public, and staff recommends that Council approve an application for funding these projects through the 2008 DRI.

#### **BUDGET/FINANCIAL INFORMATION:**

The Sycamore Creek Channel Improvements Project is currently in final design. This project is only partially funded for construction. DRI funds would provide nearly all of the construction funding necessary to complete the improvements between Highway 101 and Punta Gorda Street. City funds are needed to complete the design, as well as for construction management.

The San Pedro Creek Bridge Sewer Line Relocation Project is complete and the City is seeking reimbursement for this work.

The Safety Element Update has not been initiated.

Name of Project	Phase	DRI Share	City Share	Total
Sycamore Creek Channel Improvements	Construction Contract	\$510,300	\$59,700	\$570,000
	Construction Management/Inspection	\$0	\$85,500	\$85,500
San Pedro Creek Sewer Line Relocation	Construction Contract	\$409,700	\$0	\$409,700
City of Santa Barbara Safety Element Update	Planning	\$80,000	\$0	\$80,000
<b>Total</b>		<b>\$1,000,000</b>	<b>\$145,200</b>	<b>\$1,145,200</b>

Additional budget appropriations are not required at this time.

**ATTACHMENT(S):** 1. DRI Project Eligibility Requirements  
2. MOU between the City's Airport Department and the Sanitary District

**PREPARED BY:** John Ewasiuk, Principal Civil Engineer/BD/mj

**SUBMITTED BY:** Christine F. Andersen, Public Works Director  
Paul Casey, Assistant City Administrator  
Karen Ramsdell, Airport Director

**APPROVED BY:** City Administrator's Office

## **Disaster Recovery Initiative (DRI) Project Eligibility Requirements**

- The projects must be within jurisdictions that were directly impacted by, and including, disaster declarations issued by President Bush in 2008.
  - The declarations included California Wildfires FEMA-3287-EM and FEMA-1810-DR issued on June 28, 2008 and November 18, 2008, respectively. The City of Santa Barbara was directly impacted by each disaster due to the Gap and Tea Fires.
- As the DRI is part of the state Community Development Block Grant (CDBG) program, the projects must be administered by an agency with CDBG experience.
  - The City's Housing and Redevelopment Division has the required experience in administering CDBG funds.
- The projects must be eligible activities including Housing Rehabilitation, Public Facilities, Public Improvements, Public Services, and Hazard Mitigation Planning Activities.
  - The Sycamore Creek Channel Improvements and the San Pedro Creek Sewer Line Relocation are eligible under Public Improvements. The Safety Element update is eligible under Hazard Mitigation Planning Activities.
- The projects must meet one of three National Objectives including,
  1. the development of viable urban communities by providing decent housing and suitable living environment and expanding economic opportunities, principally for low-mod income persons.
  2. aiding in the prevention or elimination of slums or blight; or
  3. meeting other urgent Community Development needs.
  - The Sycamore Creek Channel Improvements and the San Pedro Creek Sewer Line Relocation meet low-mod beneficiary objective. The Safety Element update is deemed to meet the National Objective for low-mod income persons through a waiver included in the Federal Notice that created the DRI program.
- DRI funding may not be used for activities reimbursable by, or for which funds are made available by the Federal Emergency Management Agency, the Army Corps of Engineers, United States Department of Agriculture, or Small Business Administration. Further, none of the funds

may be used as the required match, share, or contribution for another Federal Program.

- The three proposed projects have no other reimbursable funding source.
- DRI grantees are required to hold at least one public hearing during the planning phase of the application for public comment on the community's needs and proposed activities.
  - The Community Development and Human Services Committee (CDHSC) held a public hearing on June 15, 2010. Advance notice invited public review and comment on the City's proposed application for grant funding.

The three projects were identified by staff and presented at the CDHSC hearing.

- DRI grantees are required to hold at least one public hearing to approve the application for submittal.
  - The purpose of this Council Agenda Report is to meet this requirement.

**MEMORANDUM OF UNDERSTANDING  
FOR  
ALLOCATION OF DISASTER RECOVERY INITIATIVE FUNDS FOR  
EMERGENCY RELOCATION OF SAN PEDRO CREEK SEWER LINE**

THIS MEMORANDUM OF UNDERSTANDING FOR ALLOCATION OF DISASTER RECOVERY INITIATIVE FUNDS FOR EMERGENCY RELOCATION OF SAN PEDRO CREEK SEWER LINE (this “Agreement”), dated for reference purposes as of this \_\_\_\_ day of \_\_\_\_\_, 2010, is made and entered into by and between the GOLETA SANITARY DISTRICT, a public agency (the “District”), and the CITY OF SANTA BARBARA, a municipal corporation (the “City”).

**Recitals**

- A. The District, the City and the City of Goleta are parties to that certain Memorandum of Understanding for Emergency Relocation of San Pedro Creek Sewer Line dated as of November 6, 2010 (the “Original MOU”).
- B. The Original MOU provides for the relocation of the District’s sewer line which crosses San Pedro Creek near the intersection of Hollister Avenue and Fairview Avenue in the City of Santa Barbara in order to address emergency flooding concerns associated with the Gap Fire (the “Relocation Project”).
- C. Pursuant to the Original MOU, the costs associated with the Relocation Project were paid forty-nine percent (49%) by the District and fifty-one percent (51%) by the City.
- D. The Financial Assistance Division of the State of California’s Department of Housing and Community Development has made available 2008 Disaster Recovery Initiative funds (“DRI Funds”) through its Community Development Block Grant Program. The 2008 DRI Funds are currently available to the City as a jurisdiction directly impacted by the Gap Fire pursuant to a federal major disaster declaration issued by President Bush in 2008.



E. The City is in the process of applying for DRI Funds to cover the cost of the Relocation Project.

F. The parties desire to set forth herein the terms of their agreement with respect to the allocation between the City and the District of any DRI Funds received by the City.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and the City agree as follows:

1. Application for DRI Funds.

The City agrees to complete and file an application for the DRI Funds to cover the cost of the Relocation Project. The District agrees to fully cooperate with the City in connection with the application process.

2. Allocation of DRI Funds.

Any DRI Funds received in connection with the Relocation Project shall be paid forty-nine percent (49%) to the District and fifty-one percent (51%) to the City. The City shall promptly remit to the District the District's forty-nine percent (49%) share of any DRI Funds which the City receives.

3. Miscellaneous.

3.1 Partial Invalidity

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

3.2 Waivers

No waiver of any breach of any covenant or provision herein shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of the time for the performance of any other obligation or act.

3.3 Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the permitted successors and assigns of the parties hereto.

3.4 Professional Fees

In the event of any action or suit arising in connection with the enforcement or interpretation of any of the covenants or provisions of this Agreement or the validity thereof, the prevailing party shall be entitled to recover all costs and expenses of the action or suit, including actual attorneys' fees, accounting fees and any other professional fees incurred in connection therewith.

3.5 Entire Agreement/Amendments

This Agreement (including all exhibits attached hereto) is the final expression of and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by a written instrument signed by the party both the City and the District. The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. The City and the District acknowledge that they are parties to that certain Agreement for Expansion of the Goleta Sanitary District Sewage Disposal Treatment Plant Facilities dated November 28, 1960, as amended (the "1960 Agreement"). Nothing in this Agreement shall be deemed to amend the terms of the 1960 Agreement.

**3.6 Time of Essence**

The parties hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof and that failure to timely perform any of the terms, conditions, obligations or provisions hereof by any party shall constitute a material breach of and a noncurable (but waivable) default under this Agreement by the party so failing to perform.

**3.7 Construction**

Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if it had been prepared by one of the parties, but rather as if all parties had prepared the same. Unless otherwise indicated, all references herein to sections and paragraphs are to this Agreement. All exhibits referred to in this Agreement are attached and incorporated by this reference.

**3.8 Governing Law**

The parties agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the United States of America and the State of California. In any action arising in connection with this Agreement, venue shall be in the County of Santa Barbara, State of California, United States of America.

**3.9 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. In the event executed copies of this Agreement are provided by one party to the other by facsimile transmission, the original copies shall be sent by the

signing party to the other parties as soon as reasonably feasible, and pending the receipt thereof, the facsimile copies and the signatures thereon shall for all purposes be treated as originals.

3.10 Further Assurances

The parties agree to take such actions and execute such documents as may be reasonably required to carry out the intent of this Agreement.

3.11 Notices

Any notices permitted or required hereunder shall be in writing and shall be (a) given by personal delivery, (b) mailed by certified or registered mail, postage prepaid, return receipt requested, (c) sent by reputable overnight delivery service (e.g., UPS, Federal Express, DHL or Airborne), or (d) sent by facsimile transmission to the party at the address or facsimile number set forth below for such party.

To District:

Goleta Sanitary District  
Attn: General Manager  
One William Moffett Place  
Goleta, CA 93117  
FAX: (805) 964-3583

To City:

City of Santa Barbara  
Attn: City Administrator  
735 Anacapa Street,  
Santa Barbara, CA 93101  
FAX: (805) 564-5475

Any party may change its address or facsimile number for notice purposes by giving notice of such change in the manner set forth above.

**ATTACHMENT 2**

**HM&G Draft 06/03/10**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date(s) set forth below.

GOLETA SANITARY DISTRICT

CITY OF SANTA BARBARA

By: \_\_\_\_\_  
Kamil S. Azoury, General Manager

By: \_\_\_\_\_  
Karen Ramsdell, Airport Director

APPROVED AS TO FORM:

ATTEST:

By: \_\_\_\_\_  
Richard G. Battles  
District Legal Counsel

By: \_\_\_\_\_  
Cynthia M. Rodriguez, CMC  
City Clerk of Services Manager

Dated: \_\_\_\_\_, 2010

APPROVED AS TO FORM:  
Stephen P. Wiley  
City Attorney

By: \_\_\_\_\_  
\_\_\_\_\_,  
Assistant City Attorney

Dated: \_\_\_\_\_, 2010